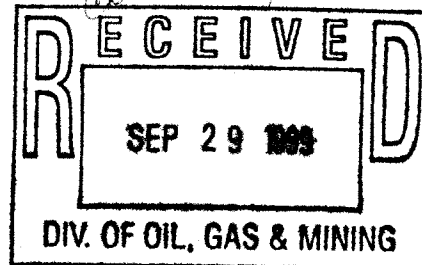


Form MR-SMO
(Revised 8/12/99)

This Section for DOGM Use:

Assigned DOGM File No.: S 10011047DOGM Lead: JM

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

**NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS**

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Southern White/Mountain Rose
2. Name of Operator/Applicant: TERRA RESOURCES LLC
Company ☒ Corporation () Partnership () Individual ()
Tax ID Number 529-92-0689
3. Permanent Address: 2016 So. Montana Ave.
City: Provo State: Utah Zip Code: 84606
Telephone Number: (801) 377-5443
4. Ownership of Land Surface:
Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name Horn Silver Mines Address 4444 So. 7th East #204 SLC, Ut.

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

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5. Ownership of Minerals:Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): _____

Name Horn Silver Mines Address 4444 So. 7th East #204 SLC, Ut.

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Utah Mining Claim Number(s): _____

Utah State Lease Number(s): _____

Name of Lessee(s) _____

6. Have the above surface and mineral owners been notified in writing?

Yes xxx No _____

If no, why not? _____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

7. Does the operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes xxx No _____II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. Project Location (legal description):

County(ies): BeaverW1/2 ~~1/4~~ of SW 1/4, of _____ 1/4: Section: 15 Township: 27S Range: 13WSE 1/4, of _____ 1/4, of _____ 1/4: Section: 16 Township: 27S Range: 13W

_____ 1/4, of _____ 1/4, of _____ 1/4: Section: _____ Township: _____ Range: _____

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location Frisco Quadrangle

2. A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on

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the ground. It is recommended that the operator also plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

III. OPERATION PLAN (Rule R647-3-106)

1. Type of mining: Surface ☒ Underground ☐
2. Mineral(s) to be mined: Marble/Limestone
3. Provide a brief description of the proposed mining operation and onsite processing facilities. We will open up 2 sites on this location.
One on the red marble, and one on the white marble
just up the hill to the east of the red. IT is not
determined as of yet if we will process materials at
the location or haul it to another site for processing.

☒ New Road(s): Length 10,000 (ft) Width 12 (ft)

☐ Improved Road(s): Length _____ (ft) Width _____ (ft)

Total project surface acreage to be disturbed: Five (5) (acres)

Proposed startup date of project (month, year) September 1999

Proposed completion date of project, if known (month, year) Not Known

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.

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8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by ripping, discing, or harrowing.
13. Reseed disturbed areas with adaptable species. (The Division recommends seeding 20 lbs./acre of native and introduced species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or if broadcast seeded, harrow or rake the seed 1/4-1/2 inch into the soil - fall is the preferred time to seed.

V. **VARIANCE REQUEST** (Rule R647-3-110)

Yes ☐ No ☒

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

<u>Item Number</u>	<u>Variance Request Justification</u>
_____	_____
_____	_____
_____	_____

VI. **PERMIT FEE** [Mined Land Reclamation Act 40-8-7(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (i)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter.

Small Mining Notices require a \$100.00 fee which must accompany this application.

VII. **SIGNATURE REQUIREMENT**

I hereby commit to conduct mining operations and to reclaim the aforementioned small mine as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

Signature of Operator/Applicant: _____

Name (typed or printed): _____

Title/Position (if applicable): _____

Date: _____

Jeffrey L. Sagers
Jeffrey L. Sagers

President

September 27, 1999